(c) As per the policy of the Government, confiscated trade goods are sold through auction/tender. Confiscated consumer goods are sold to Co-operative Societies approved by the Central and State Government and duly registered under the Co-operative Societies Act including National Co-operative Consumers Federation and State Cooperative Federations, military and para-military canteens, etc. Confiscated gold and silver are deposited in the mint and foreign currencies are credited to the Reserve Bank of India. Heterogenous and miscellaneous goods seized in small lots are directly sold to public through customs retail shops.

Guidelines for grant of loans to textiles mills

*20. PROF. C. LAKSHMANNA: Will the Minister of FINANCE be pleased to state :

(a) whether any terms and conditions have been laid down by the Industrial Development Bank of India for granting loans to textile mills under the newly created modernisation fund; and

(b) if BO, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The types of loans to be provided for viable schemes under the Textile Modernisation Fund Scheme would be:

(i) Modernisation loans,

(ii) Special loans towards a part of promoters' contribution in case of weak but viable units.

The terms and conditions for these two types of loans, as reported by IDBI, are indicated below:

Modernisation Loans

1. 'Prompters' contribut ion	20%
2. Rate of Interest	11-5% upto Rs. 6 crores per company.
3. Commitment charge	'NIL' for 180 days. 1/2% for net 365 days and 1/4% thereafter on the unavailed portion of loan.
4. Repayment period	Generally not exceeding 10 days.
5. Debt Equity Ratio	Flexible approach to be adopted depending on the merits of each case.
6. Security	First charge on fixed assets. Personal Guarantee where considered necessary.

Special Loans

1. Amount	Upto 80% of the stipulated promoters' contribution which is 20% of project cost.
2. Rate of Interest	6% simple interest.
3. Commitment charge	Nil.
4. Repayment Period	Upto 12 years including a moratorium of 6 years on payment of principal and interest.
	Personal Guarantees of the promoters and residual charge on assets.